

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3600 - SB 3694

February 1, 2010

SUMMARY OF BILL: Authorizes the Tennessee Local Development Authority (TLDA) to enter into loan or grant agreements with local governments under the Wastewater Facilities Act of 1987 or the Drinking Water Revolving Loan Fund Act of 1997. In making these agreements, TLDA has the authority to forgive principal, charge negative interest, and not require state matching funds.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – If additional American Reinvestment and Recovery Act (ARRA) funds are received, TLDA will allocate the loans to local government recipients. If these loans are allocated, local government expenditures will decrease as the federal moneys will be used to forgive principal and make a below interest rate loan. However, any decrease in local government expenditures is dependent upon federal moneys received.

Assumption:

- According to the Comptroller's TLDA, these loans will not be made unless additional ARRA funds are received.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kmc